CITY OF JOHANNESBURG

Joburg

GROUP FINANCE

SECTION 71 REPORT

PERIOD ENDED 30 JUNE 2023

CITY OF JOHANNESBURG MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023

1. STRATEGIC THRUST

The City identified Seven (7) Priority Areas that the SDBIP, IDP and budget aim to achieve. The applicable Priority for this Report is:

- A well-run City.

2. OBJECTIVE

The Accounting Officer is required, in terms of the Municipal Finance Management Act, 2003 (the MFMA (Act No. 56 of 2003)) Section 71, and the Municipal Budget and Reporting Regulations (MBRR) Government Gazette 32141 of 17 April 2009, to submit to the June or of a municipality a report in a prescribed format to review the performance of the budget compared to actual results monthly.

This report sets out the progress on the financial performance of the City of Johannesburg against the budget for the period ended 30 June 2023, in compliance with section 71 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

3. SUMMARY

The attached in-year report (Annexure A) provides a high-level summary of Consolidated Monthly budget statement period ending June 2023 in the prescribed format. Material variances will be briefly referred to in this report. Reasons for variances are provided for material variances that are below 5% for revenue and above 5% for expenditure.

The actual year-to-date revenue variance is -5%, R3.2 billion underperformance [June 2022: -7%]. The actual operating expenditure is under budget by -2%, R1.4 billion [June 2022: -6%]. The net result is an operating surplus of R273 million against a year-to-date (YTD) budgeted surplus of R1.7 billion.

The Capital budget for the 2022/23 financial year amounts to R6.5 billion after the passing of the special adjustment budget in Council. The total actual expenditure (excluding commitments) to date amounts to R5.8 billion (90%) of the adjusted budget.

The total opening and closing investment balances including cash for the month of June 2023 were R5 billion and R4 billion respectively. This shows a decrease of R1 billion during the month as indicated in Table 1 below.

Jun 23	OPENING	CLOSING
Operational Call Deposits	1 258 582 324,92	39 210 677,66
Operational Term Deposits	600 000 000,00	-
Standard Bank Primary Account Balance	93 220 652,78	1 901 019 532,05
Absa Primary Account Balance	5 577 707,28	371 939,10
TOTAL UNENCUMBERED	**1 957 380 684,98**	**1 940 602 148,81**
Contingency Reserve Fund	1 236 177 076,28	136 177 076,28
Unfunded Liability Fund	2 030 000,00	2 030 000,00
COID	279 500 000,00	279 500 000,00
Capital Grants	-	-
Capital Replacement Reserve	17 897 206,79	18 017 240,66
Non-Sweeping Bank Accounts	1 566 142 210,60	1 585 878 868,16
TOTAL ENCUMBERED	**3 101 746 493,67**	**2 021 603 185,10**
TOTAL INVESTMENTS	**5 059 127 178,63**	**3 962 205 333,91**

Table 1: Cash Balances as at 30 June 2023; Source – Bank Statements

Jun 23	OPENING	CLOSING
Cash and Cash Equivalents	315 409 817,17	887 748 433,59
Interest Rate swaps	-324 077 737,49	-219 825 100,55
Tradable Instruments Portfolio	869 327 288,00	358 394 100,00
TOTAL SINKING FUND INVESTMENTS	860 659 367,68	1 026 317 433,04

Table 1a: Sinking Fund Balance as at 30 June 2023: Source –Sinking Fund AFS and Bank Statements

- Total unencumbered balances decreased by R17 million during the course of the month, which was primarily driven by the decrease in the Operational call and an increase of R1.8 billion in the primary bank account.

- Total encumbered balances decreased by R1 billion during this same period, with the highest increase being in the Contingency Reserve Fund portfolio. The combined movement resulted in the overall total balance decrease of R 1 billion.

- The Sinking Fund balances closed R166 million higher at R1 billion, with an increase of R572 million in the cash and cash equivalents and a decline of R511 million in the tradable instrument's portfolios. The movements are largely due to repayments of matured liabilities out of the sinking fund. The interest rate swaps reflect a positive movement of R 104 million during the month of June.

Cash movements analysis:

Inflows for the month of June amounted to R9 billion versus outflows of R105 billion (inclusive of payments for bulk purchases of electricity and water, as well as salaries city-wide). The resulting net movement was a decrease of R1 billion as depicted in Table 1.1 below.

Jun 23	
Description	**R**
Cash Collections	3 548 156 623,54
Revenue cash collections paid into Primary and Ordinary bank accounts	114 204 383,58
Direct Payments into MOE Revenue accounts	9 199 929,67
Prepaid Collections	176 030 194,02
Other Income (Interest Received, Vat Refund, Licensing Fees)	159 237 558,60
Sinking Fund Withdrawal	2 268 000 000,00
Long Term Funding	1 830 000 000,00
Operating Grants and Subsidies	55 200 000,00
Positive Sweepings and Non-Sweeping Movements	1 173 366 800,94
Total Cash Inflows	9 333 395 490,35
Outflows	
Description	**R**
Operational and Capital Expenditure and Treasury Transactions*	-10 074 147 362,36
Negative Sweepings and Non-Sweeping Movements	-356 169 972,71
Total Cash Outflows	-10 430 317 335,07
Net Movement	-1 096 921 844,72
	-1 096 921 844,72

Summary Table 1.1 Cash Movements as at 30 June 2023

Treasury transactions include loan repayments and finance charges as per the Redemption Schedule.

The inflows for the month of June include cash collection (R3.5 billion), receipts paid directly into MOE bank accounts (R9 million); service charges related receipts paid into the Ordinary and Primary bank accounts (R114 million), while cash outflows were more than the inflows resulting in a negative net movement on the overall cash balances.

Profit and cost centres movements analysis

According to the City's business model, key cash generators are City Power, Joburg Water, Pikitup and Rates & Taxes. Cash generators or profit centres fund overall City operations including City cost centres like the Community Development Department. Table 3 below depicts movements and balances on sweeping and non-sweeping bank accounts for the month ended 30 June 2023 for all MOEs.

As depicted in the sweeping statements for the month ended 30 June 2023, City Power, JDA, Metrobus, Joshco and Propcom Portfolio were overdrawn.

Entity	End of May Balance	Monthly Inflows	Monthly Outflows	Net Movement	End of June Balance
City Power	**-9 554 948 815,07**	992 642 469,46	-1 495 205 914,01	-502 563 444,55	**-10 057 512 259,62**
Joburg Water	808 945 781,74	922 004 473,32	-163 985 700,81	758 018 772,51	1 566 964 554,25
Pikitup	512 171 033,34	199 920 552,97	-133 523 503,70	66 397 049,27	578 568 082,61
Parks Zoo	952 173 969,43	121 739 725,51	-80 498 453,50	41 241 272,01	993 415 241,44
Fresh Produce	294 244 429,62	25 846 008,65	-99 543 208,22	-73 697 199,57	220 547 230,05
JDA	**-709 047 518,77**	86 815 343,31	-48 379 896,57	38 435 446,74	**-670 612 072,03**
Joshco	**-1 146 513 383,25**	76 599 110,69	-43 038 208,53	33 560 902,16	**-1 112 952 481,09**
Metro Bus	**-518 472 431,38**	46 213 962,55	-70 070 261,49	-23 856 298,94	**-542 328 730,32**
Propcom	173 813 875,76	103 047 960,99	-26 357 641,21	76 690 319,78	250 504 195,54
Propcom Portfolio	**-179 032 790,16**	4 454 157,56	-4 532 088,16	-77 930,60	**-179 110 720,76**
Roads	149 656 211,69	225 520 222,07	-168 598 699,20	56 921 522,87	206 577 734,56
MTC	113 164 921,45	23 808 270,04	-17 449 568,75	6 358 701,29	119 523 622,74
JTC	61 394 940,91	1 535 378,82	-1 621 900,72	-86 521,90	61 308 419,01
Core	14 101 576 953,36	8 441 673 420,59	-10 015 937 856,38	-1 574 264 435,79	12 527 392 322,59
Total Sweepings and Balances	**5 059 127 178,66**			**-1 096 921 844,72**	**3 962 205 333,95**

Table 3: Sweeping movements including Intercompany Transactions: Source: Sweeping and Bank Statements

Inflows for the month of June versus outflows resulted in a negative net movement of R1 billion.

The table below indicates that revenue generated by these entities were slightly lower than the expenditure cash outflows. This led to the negative movement for the month.

YTD Net Movement													
Entity	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	YTD
City Power	-1 016 616 002,22	-85 114 672,61	-1 297 840 304,32	-188 480 598,38	344 804 859,32	-340 109 581,87	82 341 854,43	-279 474 550,30	-1 072 889 960,15	1 044 558 549,38	36 197 913,71	-502 583 444,55	-3 275 185 935,38
Joburg Water	-112 153 846,45	168 205 567,65	-179 521 221,31	204 455 112,77	166 835 508,62	112 419 806,12	-105 374 138,26	112 108 303,40	-783 296 334,78	597 061 715,25	35 110 387,39	758 018 772,51	973 889 632,93
Pikitup	66 833 386,61	-120 980 561,36	-322 453 421,78	221 626 736,97	203 010 308,35	-20 809 077,31	-63 952 756,80	40 120 327,35	-205 407 899,43	267 974 122,31	16 570 476,02	66 397 049,27	148 948 690,22
Parks Zoo	16 082 749,85	48 162 906,21	34 575 661,97	35 968 890,67	-17 982 729,42	-27 028 825,37	43 046 188,88	13 026 710,88	-89 065 418,08	-43 820 673,55	97 319 640,17	41 241 272,01	151 506 152,22
Fresh Produce	90 653 691,79	-16 763 706,85	7 942 331,06	26 838 239,07	-1 519 786,29	-106 807 300,28	-17 650 754,43	-15 065 410,54	-61 684 867,46	1 813 511,33	-35 398 421,38	-73 697 199,57	-201 539 673,53
JDA	-186 482 791,05	7 602 954,68	-23 943 893,23	21 430 022,93	201 175 622,64	18 559 735,40	609 482,99	38 630 560,01	-51 055 184,50	-37 019 004,31	-71 493 367,43	38 435 446,74	-45 550 415,13
Joshco	-196 699 394,74	-101 238 488,22	268 603 325,76	85 276 853,28	22 797 758,81	-57 029 179,81	95 814 541,64	22 414 881,42	-66 665 465,41	28 931 803,28	-115 958 330,77	33 560 902,16	19 811 187,39
Metro Bus	-44 153 197,52	51 728 518,30	-5 095 234,90	9 126 665,81	36 121 928,75	-34 616 097,41	43 857 705,14	-19 303 501,08	-84 832 778,55	-24 173 556,93	29 057 768,57	-23 856 298,94	-66 140 078,76
Propcom	-157 330 563,58	106 819 337,24	-128 601 691,71	25 878 069,05	324 992,43	20 256 713,86	-51 327 276,50	56 160 456,15	-28 111 834,94	-208 499,66	9 237 447,88	76 890 319,78	-70 212 530,00
Propcom Portfolio	-9 261 004,36	4 701 651,77	2 012 240,40	22 536 254,77	7 461 820,40	-4 278 264,20	4 295 317,09	-1 778 278,45	-2 262 819,67	4 607 637,55	-1 639 559,53	-77 930,60	28 316 865,17
Roads	-48 436 355,23	21 395 558,96	81 245 096,64	10 813 313,01	-38 223 988,29	-46 758 223,89	20 443 032,01	18 449 039,34	-133 799 359,91	21 668 677,75	-34 206 793,84	58 921 522,87	-70 888 482,58
MTC	-81 850 008,17	-53 999 951,69	-17 110 232,62	32 729 324,59	-60 491 902,24	-71 078 605,12	74 297 507,33	28 634 705,45	-32 920 624,77	-38 738 636,15	49 785 191,71	8 358 701,29	-168 384 530,59
JTC	-	-	-	-2 565 970,51	5 517 233,70	-3 298 097,28	6 252 904,65	14 671 722,82	5 495 807,04	2 300 847,08	-5 228 307,97	-86 521,90	23 063 617,83

Table 3.1(a): Sweeping movements analysis

The above table reflects the Municipal Entity overdrafts net movements for the past 12 months of the current financial year.

Collection Rate Report	**June 2023 - R'000**			**12 Months**		
	Billing	Collections	%	Total Billing	Total Receipts	%
	May 2023	June 2023		June to May 2023	July to June 2023	
Assessment Rates	1,228,485	1,159,466	94.4%	14,549,548	13,149,708	90.4%
Other Levies	26,897	66,847	248.5%	363,466	471,725	129.8%
Electricity	1,410,986	1,542,144	109.3%	19,731,860	18,687,443	94.7%
Water	1,184,080	1,272,999	107.5%	16,834,620	13,503,538	80.2%
Refuse	247,604	205,666	83.1%	2,881,626	2,283,193	79.2%
COJ – TOTAL	**4,098,052**	**4,247,121**	**103.6%**	**54,361,119**	**48,095,607**	**88.5%**

The city billed R4.1 billion in May 2023 compared to R4.2 billion collected in June 2023. The year-to-date billing as at 31 May 2023 is R54.4 billion compared to R48.1 billion collected as at 30 June 2023. Performance is below the budgeted target and indicates risk to the funding of the City's budget if performance does not improve.

4. POLICY IMPLICATION

None.

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The city is progressively working towards full mSCOA compliance through the SAP Business Transformation Process, with its various release strategies. This report includes the schedules that represent the modules and components of SAP that can be produced using a hybrid of the SAP Budget Planning and Consolidation module and some manual interventions.

6. FINANCIAL IMPLICATIONS

None

7. COMMUNICATION IMPLICATIONS

None.

8. COMPLIANCE WITH MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA)

The primary objective of the mSCOA regulation is to achieve uniformity across all governments (municipalities and municipal entities). All municipalities were expected to transact in line with the seven mSCOA segments from 01 August 2017.

The City does not have an mSCOA system for transacting; however, the City is still required to submit financial information to the National Treasury in terms of the seven mSCOA segments, and the project team is currently developing an interim reporting solution. The month 12 mSCOA data strings was submitted to the National Treasury on the 14th July 2023.

9. OTHER DEPARTMENTS/BODIES CONSULTED

The Core Departments and the Municipal Owned Entities are required to provide the details as contained in this report under the approval of each Chief Financial Officer monthly.

The table below highlights the compliance of departments and entities with the Section 71 process (Trial balance upload on Reporting platform by 5th working day):

No	Entity/Department	Operational Expenditure	Capital Expenditure
1	Core (All departments)	Yes (Quality certificate outstanding)	Yes
2	City Power	Yes	Yes
3	Joburg Water	Yes	Yes
4	Pikitup	Yes	Yes
5	Joburg Roads Agency	Yes	Yes
6	Joburg Development Agency	Yes	Yes
7	Metrobus	Yes	Yes
8	Joburg City Parks and Zoo	Yes	Yes
9	Joburg Property Company	Yes	Yes
10	Metro Trading Company	Yes	Yes
11	Joburg City Theatres	Yes	Yes
12	JOSCHO	Yes	Yes
13	Joburg Fresh Produce Market	Yes	Yes
14	Joburg Tourism Company	No	Yes

10. KEY PERFORMANCE INDICATOR

In-year budget monitoring in compliance with the MFMA.

It is recommended that

- That the contents of this report with the attached Annexure A be noted.

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011 021 2302

CHARITY-ANN WURAYAYI
GROUP HEAD GROUP ACCOUNTING

SENIOR LEGAL ADVISOR
GROUP LEGAL AND CONTRACTS

10.08.2023
DATE

MALOPE RAMAGAGA
ACTING GROUP HEAD: RSSC

PP

10 August 2023
DATE

SINOVUYO MPAKAMA
GROUP HEAD: TREASURY AND FINANCIAL STRATEGY AND PLANNING

Moraka T.R..

10/08/2023
DATE

TEBOGO MORAKA
ACTING GROUP CHIEF FINANCIAL OFFICER

15/08/2023
DATE

COUNCILLOR SELLO ENOCK MORERO
MMC GROUP FINANCE

Annexure A

In-Year Report

Joburg

Budget year: 2022/23
Reporting Period: Month 12
June 2023

PART 1: IN-YEAR REPORT

1.1 Mayor's Report

On 27 May 2022, Council adjusted the 2022/23 Medium-term Revenue and Expenditure Framework (MTREF) for the City of Johannesburg. This gives effect to the financial plan of the City of Johannesburg, which includes its entities.

1.2 Executive Summary

The financial results of the City of Johannesburg for period ended 30 June 2023 are summarised as follows:

Consolidated Monthly budget statement - summary

The summary of the consolidated monthly budget statement as reflected in table C4 provides the following information:

- Revenue by source.
- Expenditure by type; and
- Transfers recognised.

The table provides information related to the unaudited outcome, original budget, and the performance for the period under review, YTD variance and YTD percentage variance.

The total revenue excludes capital transfers and contributions. The reasons for variances are captured in Table SC1 of this report.

The operating revenue that was realized, excluding capital transfers and contributions, reflects a negative variance of R3.2 billion against the YTD budget for the period ended 30 June 2023.

The operating expenditure is underspent by R1.4 billion, against year-to-date expenditure budget of R65 billion.

Summary of Capital Expenditure

The following tables show the total budget (including that of the municipal entities) of R6.5 billion. The actual year to date expenditure (excluding commitments) amounts to R5.8 billion (90%) of the adjusted budget. Capital expenditure increased from 51% in April 2023 to 90% in June 2023, demonstrating that some of the midterm adjustment reallocations are yielding positive results.

Capital Expenditure per funding source as at 30 June 2022:

Description (R million)	Budget 21/22	YTD Exp	% Spent
CoJ Loans	2 102	1 875	89%
CRR / Cash	2 599	2 125	82%
Nat Grant	288	211	73%
Prov Grant	16	15	92%
USDG	1 163	1 150	99%
USIP	629	612	97%
Other	519	497	96%
Total CoJ	7 317	6 485	89%

Capital Expenditure per funding source as at 30 June 2023:

Description (R million)	Budget 22/23	YTD Exp	% Spent
CoJ Loans	1 840	1 574	86%
CRR / Cash	1 811	1 609	89%
Nat Grant	179	125	70%
Prov Grant	5	3	68%
USDG	1 405	1 387	99%
USIP	685	542	79%
Other	545	574	105%
Total CoJ	6 470	5 815	90%

COJ Loans, USDG, UISP and Cash funding sources had continuous spending in the current financial year. The Provincial grants also showed improvement in spending, with a progress of 68% compared to the inception of the year. The main contributor in the delayed spending was due to procurement related challenges. National grants has also improved expenditure from 20% to 70% during the year end process. The low spending was due to PTNG which has faced delays in the Rea Vaya project as Contractors walked off site due to payment disagreements. When compared to the same period in the previous year, overall spending has increased by 1%.

Consolidated Summary - Capital Expenditure as 30 June 2023:

Description (R million)	Budget 22/23	YTD Exp	% Spent
Economic Development	6	-2	-29%
EISD	19	5	26%
Transportation	306	212	69%
Community Development	68	48	70%
Health	73	25	34%
Social Development	92	53	58%
Forensic	4	3	94%
Ombudsman	0	0	89%
Office of the City Manager	14	5	39%
Speaker	3	1	35%
Group ICT	376	365	97%
Group Finance	36	8	21%
Group Corporate Services	5	3	54%
Housing	1 277	1 131	89%
Development Planning	7	3	38%
Public Safety	97	44	45%
Total Core Administration	2 381	1 903	80%

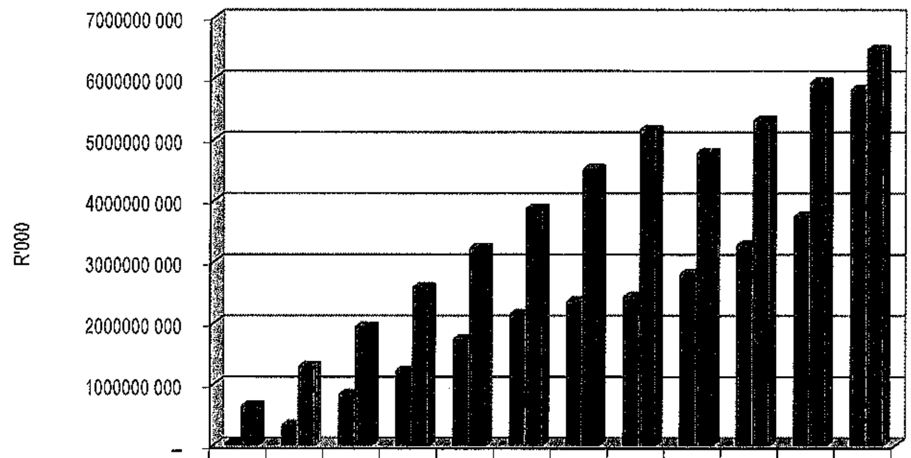
Description (R million)	Budget 22/23	YTD Exp	% Spent
City Power	1 218	1 250	103%
Johannesburg Water	838	855	102%
Pikitup	97	94	96%
Jhb Roads Agency	795	675	85%
Metrobus	37	36	97%
Jhb City Parks and Zoo	70	33	48%
Jhb Development Agency	472	414	88%
Jhb Property Company	39	34	87%
Metro Trading Company	11	11	100%
Joburg Market	95	96	100%
JOSHCO	399	399	100%
Joburg City Theatres	13	13	100%
Joburg Tourism	4	2	59%
Total MEs	4 089	3 912	96%

The negative expenditure noted above is due to accruals that have been reversed. It must be noted that Ombudsman's office budget and expenditure is less than a million, however the department is at 89% spending. Group Forensic, Group Finance, Group Corporate Shared Services, and Joburg Tourism are at less than 5% spending.

Table SC12(Annexure) provides an illustration of actual capital expenditure compared to the budget target on a monthly and year-to-date basis.

The Chart below is an illustration of the Capital expenditure YTD actual vs YTD budget target:

Chart C2 2022/23 Capital Expenditure: YTD actual v YTD target



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
YearTD actual	30711	335320	832127	121953	173296	214051	235508	242894	280135	327718	374418	581507
YearTD budget	645077	129015	193523	258030	322538	387046	451553	516061	478141	531268	593076	646992

Cash Flow

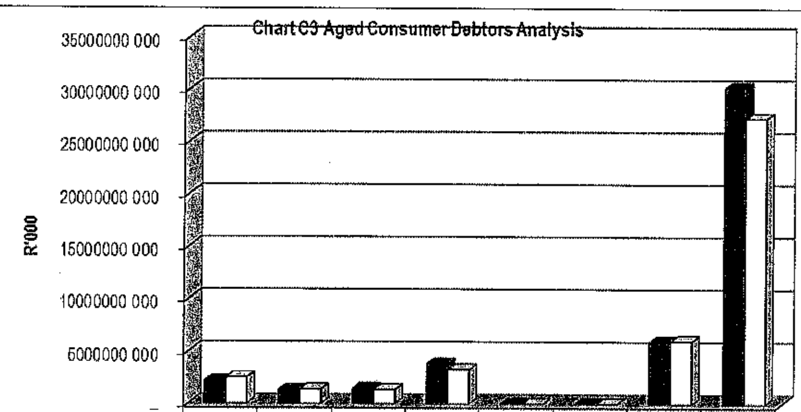
The cash flow of the City of Johannesburg, as depicted in Tables C1 and C7, indicates the following:

- Cash and Cash equivalents as at the end of June 2023 amount to R2 billion.
- The cash flow from operating activities is R3.9 billion.
- The cash flow from investing activities amount to R4 billion negative.
- The cash flow from financing activities amount to R3.3 billion.

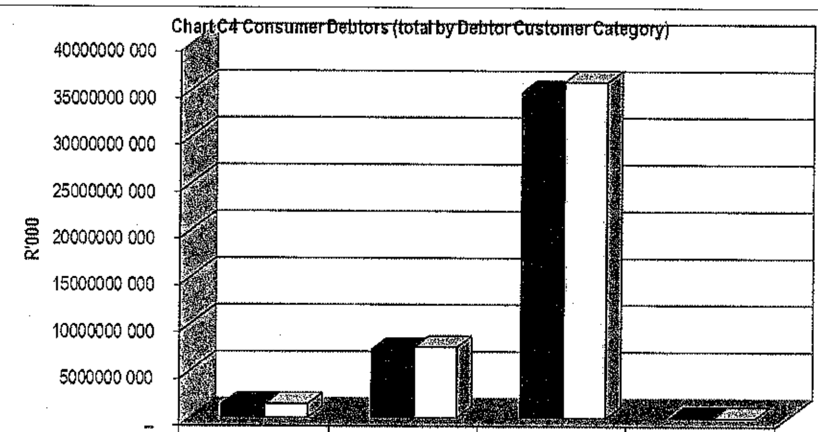
Debtor Age Analysis

The debtors' report, as reflected in Tables C1 and SC3 has been prepared based on the format required to be lodged electronically with the National Treasury. This format provides an extended age analysis, as well as age analysis by debtor type. It must be noted that SAP system is currently not configured to provide service charges figures for the periods over 90 days, however Revenue department has engaged with OCIO on this matter and the results will be seen once the matter has been resolved. This matter is receiving attention in the broader context of the SAP Business transformation process.

Tables C1 and SC3 indicate that the total debtor's amount to R48.4 billion. Chart C3 below illustrates the Consumers debtors age analysis:



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
Budget Year 2022/23	2191278 1	1339134 6	1461706 3	3825329 6	–	–	5921878 2	30179449
2021 / 22	2504500 3	1378417 0	1356008 7	3268390 1	–	–	6016730 4	27247137

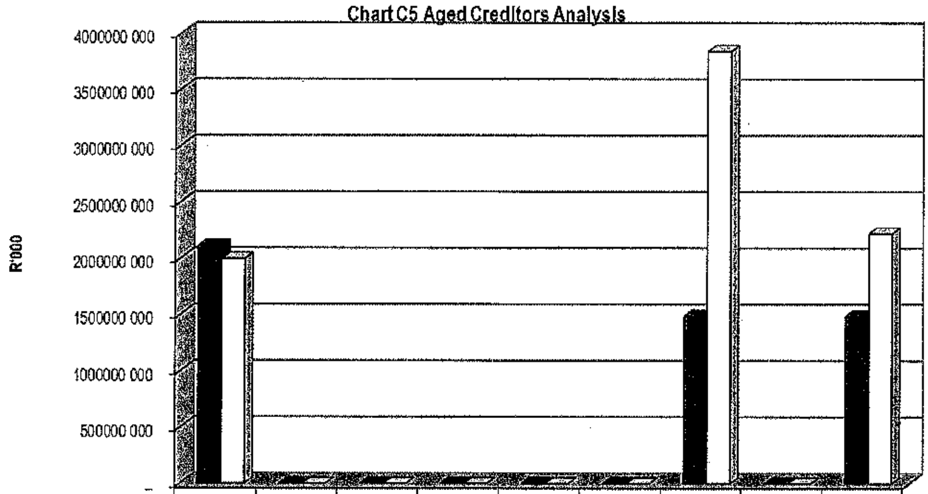


	Organs of State	Commercial	Households	Other
2021 / 22	1435602 868	7319475 496	34816134 508	–
Budget Year 2022/23	1480002 956	7545851 026	35892922 173	–

Creditors' age analysis

Tables C1 and SC4 provide an extended age analysis by creditor type. The chart compares this month's results with that of the previous financial year, which shows the aged creditors per category.

Chart C5 Aged Creditors Analysis



	Bulk Electricity	Bulk Water	PAYE deductions	VAT (output less input)	Pensions / Retirement deductions	Loan repayments	Trade Creditors	Auditor General	Other
2021 / 22	2110904 000	–	–	–	–	–	1489013 000	–	1489169 000
Budget Year 2022/23	1997070 866	–	–	–	–	–	3839584 903	–	2221264 516

Parent (Core) municipality's financial performance (Table SC10)

This disclosure is required by the National treasury. Municipalities that have municipal entities should provide the monthly statement of financial performance for the parent municipality only.

1.3 In-year budget statement tables

The financial results for the period ended 30 June 2023 are reflected in Tables C1, C4, C6 and C7, and they are followed by the supporting documents contained in the SC Tables (SC1, SC3, SC4, SC10, SC11 and SC12). The tables listed above represent the modules and components of SAP that can be produced using a hybrid of the SAP Budget Planning and Consolidation (BPC) module and some manual interventions.

PART 2: SUPPORTING SCHEDULES

Table C1 – Monthly budget statement summary

JHB City Of Johannesburg - Table C1 Consolidated Monthly Budget Statement Summary - M12 June

Description	2021 / 22	Budget Year 2022/23							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	14 133 073	14 133 073	1 201 864	14 534 591	14 133 073	401 518	3%	14 133 073
Service charges	–	39 598 615	37 339 450	3 141 852	34 318 791	37 339 450	(3 020 659)	-8%	37 339 450
Investment revenue	–	193 489	160 487	7 192	214 917	160 487	54 431	34%	160 487
Transfers and subsidies	–	7 619 945	7 591 093	59 422	8 781 873	7 591 093	1 190 780	16%	7 591 093
Other own revenue	–	8 479 118	7 988 360	1 312 075	6 181 734	7 988 360	(1 806 627)	-23%	7 988 360
Total Revenue (excluding capital transfers and contributions)	–	**70 024 240**	**67 212 463**	**5 722 405**	**64 031 906**	**67 212 463**	**(3 180 556)**	**-5%**	**67 212 463**
Employee costs	–	18 357 153	17 429 220	1 495 633	18 036 753	17 429 220	607 533	3%	17 429 220
Remuneration of Councillors	–	185 164	185 164	14 074	178 816	185 164	(6 348)	-3%	185 164
Depreciation & asset impairment	–	4 649 947	4 545 798	337 322	3 919 889	4 545 798	(625 909)	-14%	4 545 798
Finance charges	–	2 889 039	2 681 121	247 670	2 778 959	2 681 121	97 838	4%	2 681 121
Inventory consumed and bulk purchases	–	20 393 282	19 054 037	2 241 507	20 267 460	19 054 037	1 213 423	6%	19 054 037
Transfers and subsidies	–	183 850	141 173	4 964	(14 000)	141 173	(155 173)	-110%	141 173
Other expenditure	–	23 090 584	21 157 591	1 301 123	18 590 953	21 157 591	(2 566 638)	-12%	21 157 591
Total Expenditure	–	**69 649 019**	**65 194 103**	**5 642 293**	**63 758 829**	**65 194 103**	**(1 435 274)**	**-2%**	**65 194 103**
Surplus/(Deficit)	–	**375 221**	**2 018 359**	**80 112**	**273 077**	**2 018 359**	**(1 745 282)**	**-86%**	**2 018 359**
Transfers and subsidies - capital (monetary allocations) (National / P	–	2 209 403	2 303 948	217 852	1 207 170	2 303 948	(1 096 778)	-48%	2 303 948
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	590 040	544 948	27 320	338 591	544 948	(206 357)	-38%	544 948
Surplus/(Deficit) after capital transfers & contributions	–	**3 174 664**	**4 867 256**	**325 285**	**1 818 839**	**4 867 256**	**(3 048 417)**	**-63%**	**4 867 256**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	–	**3 174 664**	**4 867 256**	**325 285**	**1 818 839**	**4 867 256**	**(3 048 417)**	**-63%**	**4 867 256**
Capital expenditure & funds sources									
Capital expenditure	–	**7 740 924**	**6 469 928**	**2 079 893**	**5 815 073**	**6 469 928**	**(654 855)**	**-10%**	**6 469 928**
Capital transfers recognised	–	2 799 443	2 848 896	1 216 864	2 632 125	2 848 896	(216 771)	-8%	2 848 896
Borrowing	–	1 830 000	1 830 000	521 320	1 574 321	1 830 000	(255 679)	-14%	1 830 000
Internally generated funds	–	**3 111 481**	**1 791 032**	**341 709**	**1 608 627**	**1 791 032**	**(182 405)**	**-10%**	**1 791 032**
Total sources of capital funds	–	**7 740 924**	**6 469 928**	**2 079 893**	**5 815 073**	**6 469 928**	**(654 855)**	**-10%**	**6 469 928**
Financial position									
Total current assets	–	19 385 987	18 551 939		46 057 601				18 551 939
Total non current assets	–	90 220 558	88 811 562		34 976 529				88 811 562
Total current liabilities	–	17 354 987	16 819 085		39 447 755				16 819 085
Total non current liabilities	–	26 554 074	26 568 571		18 221 990				26 568 571
Community wealth/Equity	–	**68 786 887**	**68 761 223**		**21 430 270**				**68 761 223**
Cash flows									
Net cash from (used) operating	–	10 163 185	8 094 940	(238 109)	3 943 618	7 393 448	3 449 829	47%	8 094 940
Net cash from (used) investing	–	(8 995 241)	(5 694 776)	(223 085)	(4 154 632)	(4 972 802)	(818 169)	16%	(5 694 776)
Net cash from (used) financing	–	(1 843 331)	(1 799 496)	(2 465 728)	(3 269 564)	(1 497 232)	1 772 332	-118%	(1 799 496)
Cash/cash equivalents at the month/year end	–	**6 866 943**	**4 449 510**	**3 962 205**	**2 132 205**	**4 772 256**	**2 640 051**	**55%**	**4 449 510**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	7 214 364	140 327	36 672	8 874	34 638	25 220	146 760	451 065	8 057 920

Table C4 - Monthly budget statement – Revenue and expenditure

JHB City Of Johannesburg - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021 / 22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates			14 133 073	14 133 073	1 201 864	14 534 591	14 133 073	401 518	3%	14 133 073
Service charges - electricity revenue			21 338 109	19 483 832	1 384 835	16 753 600	19 483 832	(2 730 232)	-14%	19 483 832
Service charges - water revenue			9 777 174	8 942 401	918 905	8 929 070	8 942 401	(13 330)	0%	8 942 401
Service charges - sanitation revenue			6 085 363	6 525 841	637 227	6 180 662	6 525 841	(345 179)	-5%	6 525 841
Service charges - refuse revenue			2 397 969	2 387 376	200 886	2 455 459	2 387 376	68 083	3%	2 387 376
Rental of facilities and equipment			515 995	505 846	23 202	338 608	505 846	(167 238)	-33%	505 846
Interest earned - external investments			193 489	160 487	7 192	214 917	160 487	54 431	34%	160 487
Interest earned - outstanding debtors			414 979	435 012	66 480	641 814	435 012	206 801	48%	435 012
Dividends received			-	-	-	-	-	-		-
Fines, penalties and forfeits			891 592	396 993	98 315	365 727	396 993	(31 266)	-8%	396 993
Licences and permits			9 180	9 884	192	13 672	9 884	3 788	38%	9 884
Agency services			367 039	367 039	31 574	366 212	367 039	(827)	0%	367 039
Transfers and subsidies			7 619 945	7 591 093	59 422	8 781 873	7 591 093	1 190 780	16%	7 591 093
Other revenue			6 273 346	6 267 672	1 093 814	4 461 110	6 267 672	(1 806 563)	-29%	6 267 672
Gains			6 987	5 914	(1 502)	(5 408)	5 914	(11 322)	-191%	5 914
Total Revenue (excluding capital transfers and contributions)		-	70 024 240	67 212 463	5 722 405	64 031 906	67 212 463	(3 180 556)	-5%	67 212 463
Expenditure By Type										-
										-
Employee related costs			18 357 153	17 429 220	1 495 633	18 036 753	17 429 220	607 533	3%	17 429 220
Remuneration of councillors			185 164	185 164	14 074	178 816	185 164	(6 348)	-3%	185 164
Debt Impairment			5 905 328	5 072 127	(88 755)	5 640 802	5 072 127	568 675	11%	5 072 127
Depreciation & asset impairment			4 549 947	4 545 798	337 322	3 919 889	4 545 798	(625 909)	-14%	4 645 798
Finance charges			2 889 039	2 681 121	247 670	2 778 959	2 681 121	97 838	4%	2 681 121
Bulk purchases - electricity			15 363 589	14 165 609	1 705 694	14 109 187	14 165 609	(56 422)	0%	14 165 609
Inventory consumed			5 029 694	4 888 427	535 813	6 158 273	4 888 427	1 269 845	26%	4 888 427
Contracted services			7 942 715	6 903 552	535 568	4 902 154	6 903 552	(2 001 399)	-29%	6 903 552
Transfers and subsidies			183 850	141 173	4 964	(14 000)	141 173	(165 173)	-110%	141 173
Other expenditure			6 402 790	6 342 131	646 626	5 640 024	6 342 131	(702 107)	-11%	6 342 131
Losses			2 839 751	2 839 781	207 684	2 407 973	2 839 781	(431 808)	-15%	2 839 781
Total Expenditure		-	69 649 019	65 194 103	5 642 293	63 758 829	65 194 103	(1 435 274)	-2%	65 194 103
Surplus/(Deficit)		-	375 221	2 018 359	80 112	273 077	2 018 359	(1 745 282)	(0)	2 018 359
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			2 209 403	2 303 948	217 852	1 207 170	2 303 948	(1 096 778)	(0)	2 303 948
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)			590 040	544 948	27 320	338 591	544 948	(206 357)	(0)	544 948
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		-	3 174 664	4 867 256	325 285	1 818 839	4 867 256			4 867 256
Taxation			85 261	81 878	-	-	81 878	(81 878)	(0)	81 878
Surplus/(Deficit) after taxation		-	3 089 403	4 785 377	325 285	1 818 839	4 785 377			4 785 377
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		-	3 089 403	4 785 377	325 285	1 818 839	4 785 377			4 785 377
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		-	3 089 403	4 785 377	325 285	1 818 839	4 785 377			4 785 377

Table C6 – Financial Position

JHB City Of Johannesburg - Table C6 Consolidated Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2021 / 22	Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	Variance	Variance %
R thousands	1							
ASSETS								
Current assets								
Cash			3 693 550	3 566 694	–	3 566 694	3 566 694	100,00%
Call investment deposits			3 173 393	882 816	–	882 816	882 816	100,00%
Consumer debtors			8 881 841	8 816 183	10 128 072	8 816 183	(1 311 889)	-14,88%
Other debtors			3 294 555	4 750 512	34 638 771	4 750 512	(29 888 259)	-629,16%
Current portion of long-term receivables			–	–	880 515	–	(880 515)	
Inventory			342 649	535 734	410 242	535 734	125 492	23,42%
Total current assets		–	19 385 987	18 551 939	46 057 601	18 551 939	(27 505 662)	-148,26%
Non current assets						–		
Long-term receivables			112 281	64 463	2 295 890	64 463	(2 231 427)	-3461,56%
Investments			97 269	139 714	–	139 714	139 714	100.00%
Investment property			946 280	1 036 836	27 676	1 036 836	1 009 160	97,33%
Investments In Associate			23 313	22 909	(0)	22 909	22 909	100,00%
Property, plant and equipment			84 310 139	82 879 324	32 359 389	82 879 324	50 519 936	60.96%
Agricultural			–	–	–	–	–	
Biological assets			36 637	29 386	–	29 386	29 386	100,00%
Intangible assets			1 921 015	1 069 416	(15 729)	1 069 416	1 085 145	101,47%
Other non-current assets			2 773 624	3 569 514	309 302	3 569 514	3 260 212	91.33%
Total non current assets		–	90 220 558	88 811 562	34 976 529	88 811 562	53 835 034	60,62%
TOTAL ASSETS		–	109 606 546	107 363 501	81 034 129	107 363 501	26 329 372	24.52%
LIABILITIES						–		
Current liabilities						–		
Bank overdraft			–	–	–	–	–	
Borrowing			2 819 663	2 760 034	164 037	2 760 034	2 595 997	94,06%
Consumer deposits			15 401	21 342	1 299 305	21 342	(1 277 962)	-5987,93%
Trade and other payables			13 915 086	13 296 063	37 547 843	13 296 063	(24 251 779)	-182,40%
Provisions			604 837	741 645	436 570	741 645	305 075	41,13%
Total current liabilities		–	17 354 987	16 819 085	39 447 755	16 819 085	(22 628 670)	-134,54%
Non current liabilities						–		
Borrowing			19 644 549	19 206 048	16 489 965	19 206 048	2 716 083	14.14%
Provisions			6 909 525	7 362 522	1 732 026	7 362 522	5 630 497	76,48%
Total non current liabilities		–	26 554 074	26 568 571	18 221 990	26 568 571	8 346 580	31.42%
TOTAL LIABILITIES		–	43 909 062	43 387 656	57 669 745	43 387 656	(14 282 089)	-32.92%
NET ASSETS	2	–	65 697 484	63 975 845	23 364 384	63 975 845	40 611 461	63,48%
COMMUNITY WEALTH/EQUITY						–		
Accumulated Surplus/(Deficit)			68 786 887	68 761 223	20 637 786	68 761 223	48 123 435	69.99%
Reserves			–	–	792 483	–	–	
TOTAL COMMUNITY WEALTH/EQUITY	2	–	68 786 887	68 761 223	21 430 270	68 761 223	48 123 435	69,99%

Table C7 – Cash flow

JHB City Of Johannesburg - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2021 / 22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts			66 462 027	63 800 299	6 613 300	70 963 155	58 791 470			63 800 299
Property rates			12 903 496	12 903 496	1 020 642	12 728 499	11 828 204	900 295	8%	12 903 496
Service charges			35 414 559	33 968 431	2 826 949	33 997 758	40 964 931	(6 967 173)	-17%	33 968 431
Other revenue			7 747 689	6 476 445	2 658 913	10 766 677	2 905 322	7 861 354	271%	6 476 445
Transfers and Subsidies - Operational			7 619 945	7 591 093	56 200	9 665 861	336 457	9 329 404	2773%	7 591 093
Transfers and Subsidies - Capital			2 209 403	2 303 948	–	3 422 332	2 611 488	810 844	31%	2 303 948
Interest			566 936	556 887	51 596	382 029	145 067	236 962	163%	556 887
Dividends			–	–	–	–	–	–		–
Payments		–	(56 298 842)	(55 705 359)	(6 851 408)	(67 019 537)	(51 398 022)			(55 705 359)
Suppliers and employees			(53 225 953)	(52 883 066)	(5 803 939)	(64 359 549)	(48 827 653)	15 531 896	-32%	(52 883 066)
Finance charges			(2 889 039)	(2 681 121)	(948 532)	(2 400 169)	(2 450 346)	(50 177)	2%	(2 681 121)
Transfers and Grants			(183 850)	(141 173)	(98 937)	(259 819)	(120 023)	139 796	-116%	(141 173)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	10 163 185	8 094 940	(238 109)	3 943 618	7 393 448	3 449 829	47%	8 094 940
										–
CASH FLOWS FROM INVESTING ACTIVITIES										–
Receipts		–	(1 254 317)	775 152	–	–	211 020			775 152
Proceeds on disposal of PPE			(2 242 724)	550 530			5 117	(5 117)	-100%	550 530
Decrease (Increase) in non-current receivables								–		
Decrease (increase) in non-current investments			988 407	224 622			205 903	(205 903)	-100%	224 622
Payments		–	(7 740 924)	(6 469 928)	(223 085)	(4 154 632)	(5 183 822)			(6 469 928)
Capital assets			(7 740 924)	(6 469 928)	(223 085)	(4 154 632)	(5 183 822)	(1 029 190)	20%	(6 469 928)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(6 995 241)	(5 694 776)	(223 085)	(4 154 632)	(4 972 802)	(818 169)	16%	(5 694 776)
CASH FLOWS FROM FINANCING ACTIVITIES										–
Receipts		–	1 830 152	1 830 211	–	840 000	1 830 000			1 830 211
Short term loans			–	–	–	2 670 000	–	2 670 000		–
Borrowing long term/refinancing			1 830 000	1 830 000		(1 830 000)	1 830 000	(3 660 000)	-200%	1 830 000
Increase (decrease) in consumer deposits			152	211			–	–		211
Payments		–	(3 673 484)	(3 629 707)	(2 465 728)	(4 109 564)	(3 327 232)			(3 629 707)
Repayment of borrowing			(3 673 484)	(3 629 707)	(2 465 728)	(4 109 564)	(3 327 232)	782 332	-24%	(3 629 707)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(1 843 331)	(1 799 496)	(2 465 728)	(3 269 564)	(1 497 232)	1 772 332	-118%	(1 799 496)
										–
NET INCREASE/ (DECREASE) IN CASH HELD		–	(675 387)	600 668	(2 926 922)	(2 926 922)	923 414			600 668
Cash/cash equivalents at beginning:			7 542 330	3 848 842	5 059 127	5 059 127	3 848 842			3 848 842
Cash/cash equivalents at month/year end:		–	6 866 943	4 449 510	3 962 205	2 132 205	4 772 256			4 449 510

Summary of municipal entities (Table SC11)
The City of Joburg has 13 municipal entities, as indicated in Table SC11:

This table summarises the revenue, operating expenditure, and capital expenditure for these entities. The reasons for the variance are captured in Table SC1.

PART 3: ADDITIONAL SUPPORTING SCHEDULES
Table SC1: Variance reasons

JHB City of Johannesburg - Supporting Table SC1 Material variance explanations - M12 June				
Ref	**Description**	**YTD variance**	**Reasons for material deviations**	**Remedial or corrective steps/remarks**
1	**Revenue By Source**			
	Property rates	401 518	The YTD is over-budget by R402 million (3%). Property Rates revenue for the month of June 2023 amounts to R 921 million before rebates. During the month of June, Journal adjustments amounting to R 110 million were processed in customer accounts. The journal adjustments are due to changes in market value because of objections and valuation appeal board decisions. Rates rebates for the month of June 2023 was R203 million. Rebates exceeded the budgeted amount by R11 million (5%) for the month and R106 million (4%) for the YTD. 862 130 rebates were granted for the month. Revenue accruals to the value of R 14 million were raised in the Financial Year 2021/2022. YTD	No action is required.

			reversals amount to R 11 million. The revenue line was reduced significantly for the month of June due to accruals processed for the 2022/2023 FY for an amount of R 416 million. The revenue accruals are only reversed when the billing is realised in the Billing system. These will be monitored monthly. This is done to ensure that the revenue is recognised in the correct accounting period and to avoid a duplication of revenue.	
	Service charges - electricity revenue	(2 730 232)	The underperformance is mainly as a result of decreased consumption for all Industrial and Commercial customers. This can be attributed to customers changing from conventional to prepaid. The units purchased from Eskom has dropped due to load shedding and customers using alternative sources of energy.	City Power has responded to these challenges associated with non-technical losses and revenue with the Revenue Enhancement Strategy. The strategy aims to reduce non-technical losses to12% and increase revenue in the current financial year. It has focused initiatives to improve revenue through accounting for revenue completeness and revenue accuracy. At the core of the Revenue Enhancement Strategy is a new data analytics capability, continuous process improvement and governance, use of technology, training of staff and management of various stakeholders. Below are the initiative in assisting with the reduction of non-technical losses. • Simulated billing and consumption analysis;

				Customer and meter data clean-up; Alarms automation • Improve collection; System updates; Alarms enhancement and COJ revenue enhancement.
	Service charges - water revenue	(13 330)	The under recovery is mainly as a result of a reduction in water consumption for business and households due to lower demands.	It is expected that with the stand by stand audit that was implemented by RSSC that revenue not billed will be identified and thus remedy the current revenue levels.
	Service charges - sanitation revenue	(345 179)	The under recovery is due to decreased billing on business customers as a result of less wastewater received and treated.	No remedial action
	Service charges - refuse revenue	68 083	The year-to-date actual is progressing in line with the year-to-date budget.	No remedial action
	Rental of facilities and equipment	(167 238)	The under recovery is due to the delays in the approval of reports by EAC that has resulted in the lease renewal period being longer than the average 3 months it takes for a lease to be renewed. Furthermore, the delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.	Need for greater speed and improved turnaround times for EAC approvals. To improve the revenue generation, JPC is currently performing a lease and land audit to ensure optimal utilisation of the City's properties.
	Interest earned - external investments	54 531	The city earns interest on Call and fixed deposit based on the cash available to invest. In the current fiscal year, the City's cash invested in call and fixed has decreased. 'Interest gained on investments exceeded budget owing to interest rate hikes to an	Cash management measures are being adopted to guarantee adequate cash reserves are always kept.

			average of 8.35%. The period's cash surplus was R474 million. There was also an R160 million increase in the fair value movement of the sinking fund for 30 June 2023.	
	Interest earned - outstanding debtors	206 801	City Power & Joburg Water: The over performance is due to an increase in the number of long overdue debtors. Group Finance: Due to interest paid by MOEs on negative sweeping bank, for the previous months more interest income was realised than what was anticipated, and this was due to the increase in the interest rate. In addition, the city has made fresh loans to City Power and Joburg Water, which generates extra interest income.	City Power and Joburg Water: The Entities and RSSC have been working together to reduce the outstanding balance. Group Finance: Revenue Shared Service Centre (RSSC) should put in extra efforts to collect all amounts billed including long outstanding debt.
	Fines, penalties, and forfeits	(31 266)	The under recovery is mainly due to speed contract only finalised December 2022, going forward revenue will increase. The revenue is currently recognised on Bylaw enforcement e.g., illegal dumping, illegal connection etc (section 56's, Aarto 01 and Aarto 03 citations).	continue monitoring improvement in revenue for the remainder of the year
	Licences and permits	3 788	The over recovery is due to income received from company license fees relating to atmospheric emissions.	No remedial action
	Agency services	(827)	The year-to-date actual is in line with the year-to-date budget.	
	Transfers and subsidies	1 190 780	The variance is attributable to last tranches amounting to R3 billion of fuel levy (R1.3 billion) and equitable shares (R1.7 billion) being paid in full in March.	No action is required.

	Other revenue	(1 806 563)	City Power: due to under recovery on the following (a) Sundry revenue due to fewer insurance claims registered than projected; (b) Skills development grant due to fewer officials making use of the grant; (c) Canteen revenue due to less usage of the canteen, as some employees work from home. Public Safety (EMS): Due to the termination of the ambulance services contract and the decrease in bookings for training services. Community Development: The under recovery is mainly due a decrease in hall hiring as a result of the current economic conditions.	Community Development: Revenue is dependent on public usage.
2	**Expenditure By Type**			
	Employee related costs	607 533	The overspending is due to the following: Health Department: The over expenditure is due to unavoidable rebasing on salaries and allowances, which affected the expenditure of permanent employees within Health department. The rebasing also affected the provision of locomotive allowance adjustment. Public Safety: The expenditure is slightly over the projected budget due to overtime costs and acting allowance costs that might persist as the process of recruitment is halted by the City for this financial year since only critical posts can be filled. The department is going to experience this slight over expenditure until the end of the financial year.	Health Department: To avoid further over-expenditure, the department is forced to postpone appointments of permanent staff as from June 2023, recruitment will proceed in the new financial year.
	Remuneration of councillors	(6 348)	The year-to-date actual is in line with the year-to-date budget.	

	Debt impairment	568 675	The over expenditure is due to the following: Joburg Water: due to reduced payment levels. The payment level year to date is 77.90% as compared to the budgeted payment level of 80.4% resulting in a higher contribution to debt impairment. City Power: over budget due to a reduction on collection levels. The year-to-date collection level is 94.17% which was used to determine the debt impairment reported is based on the actual billing against the target level of 96.5%.	Joburg Water & City Power: The Entities and RSSC have been working together to reduce the outstanding balance. Numerous meetings have been held with the departments in order to speed up the collection process. There is slow progress of pre-termination notices and disconnections on government accounts and that results in low collection. The attorney collection panel is now in place and will be used to augment collection efforts.
	Depreciation & asset impairment	(625 909)	Public Safety (EMS): Depreciation and assets Impairment spending is below the projected budget however it will align as the year progresses as the assets team will embark on a project of writing off the assets that have reached end of useful lives and procuring new assets. Pikitup: The under spending is as a result of revaluation of Pikitup assets. Community Development and GICT: Due to delays in the capitalization of assets due to unresolved projects currently under investigation. Group Finance: As a result of no major capital acquisition as yet.	Public Safety (EMS): Procurement of new Assets. Pikitup: Budget was re-allocated to provision for debt impairment (non-cash items) as part of the budget revision process. The under expenditure is expected to normalise as the year progresses. Community Development: Await GFIS to provide outcome and resolution on the investigations. GICT: Expenditure will improve once capital projects are capitalized. Group Finance: The joint re-confirmation of Capital Budget (Furniture Contract for three years) from City Departments has been signed in order to submit to Probity Audits, respond to findings, and facilitate the

				signing of the audit report in order to table it at the Executive Adjudication Committee's.
	Finance charges	97 838	The year to date actual is in line with the year-to-date budget.	
	Bulk purchases	(56 422)	The year-to-date actual is in line with the year-to-date budget.	
	Other materials	1 269 845	Joburg Water: The over expenditure is attributable to a price variance on Bulk Purchases. On average JW purchased 52 702 905 kl's per month in the current year (2022/23) which is 1.4 million additional kilolitres per month compared to an average of 51 285 465 kl's per month in the previous year (2021/22). This translates to an additional R165 million years to date. Based on the current revenue kl's reported (excluding possible reversals, actual billing updates and year end accruals) the increase in bulk purchases is related to non-revenue water. Metrobus: The over expenditure is as a result of direct operating expenses that relate to the running of the buses, such as brakes, spare parts, diesel, tyres, anti-freeze etc, that were reduced in the budget rebasing. MTC: Due to expenditure on new initiatives started by the entity on behalf of public safety, such as proactive and reactive maintenance of COJ's building's CCTV & access controls, costs for other materials have increased. JTC: The over expenditure is attributable to the cost of sales and hiring expenses, which are linked to the	Metrobus: The entity has undertaken to cease spending and park the fleet otherwise significant damage will be caused to the buses. MTC: Project managers have been instructed to pay particular attention to how these initiatives are being funded effectively.

			favourable revenue variance. Increase in In House Stage Productions is largely attributable to shows such as The Island, Fences, Panto and New Year Countdown which were recognised in the current quarter.	
	Contracted services	(2 001 399)	The under expenditure is mainly attributable to the following: City Power: Due to the following: • Consultant fees are less than the budget due to a decrease in programs undertaken and paid for during the reporting period under review; • Repairs and maintenance are less than the budget due to the utilization of internal resources as compared to the utilization of labour contractors; • Security costs due to the company's cash flow difficulties which led to contracted suppliers not being paid during the period under review. Transport Department: Delays in the payment of compensation lump sum payable to the Rea Vaya Phase 1C (a) affected taxi operators as a result of delays is finalisation of the taxi operating licenses and operationalisation of JITI and Phase 1 C(a). It is anticipated that expenditure will increase to. 75% as once all accruals are process on SAP system. Group Finance: The under expenditure is as a result of delays in the procurement of service provider to assist with revenue enhancement, which is now in the early stages and will be finished in the next fiscal year. Other significant factors include low spending on Valuation Courts because of ongoing lawsuits against the Appeal Board regarding their reviews and decisions, Attcol	Transport Department: It is anticipated that there will be a significant expenditure increase once year end accruals has taken place. Group Finance: The expenditure is expected to improve once accruals to the amount of R121 million are paid in relation to postages, repairs and maintenance, legal expenses, cell phone expenditures etc and some of the savings will be realized as other projects could not kick off on time and panel for ATTCOL was finalized late.

			service level agreements that were recently finalized, as well as under spending on postage and electronic bill presentment portal.	
	Transfers and subsidies	(155 173)	Economic Development - The under expenditure is due to delays in payment of Public Employment Programme (PEP) grant which was only processed in February 2023. This grant is used to fund the inception of Woza Worx project. Furthermore, there has been no subsequent payment made to the service provider due to contractual disputes.	The department is working on resolving the contractual dispute and ensure timely payments of the Woza Worx project.
	Other expenditure	(702 107)	The underspending is mainly due to the following: City Power: Due to under spending on the following: • Legal expenses due to most of the budget being held under commitments as most legal processes are still underway; • Departmental charges, rates, and services a due to less requests made on vegetation and grass cutting budget; • Advertising, marketing, and public relations costs due to delays in the process of finalising the PR contract that is still underway. City Manager: Due to under spending on revenue grants (PPG grant) that is utilised to construct a pipeline of investment-ready capital programs and projects by developing and institutionalizing an effective and efficient system of program and project preparation. This is as a result of the entities' delayed pace in submitting claims, submission of a transaction report to council, the completion of inception reports, as well as the start of planning and construction. The other contributor is under spending on insurance claims for	City Manager: The expenditure is expected to increase once accruals are processed as the department has raised R70 million for motor insurance, R40 million for PPG grant and R2.3 million in relation to budget speech/state of city address. Transport Department: Procurement for marketing related project is underway and the department is in constant engagement with JMPD to process all outstanding fleet related expenditure. The expenditure will increase after the year end accrual. GICT: Expenditure is expected to improve on the Software licenses and rental costs once the accrual process has taken place.

			vehicles due to contractual challenges. Transport Department: The under expenditure is due to the delays in executing some of the marketing related planned projects due to supply chain processes, as well as under spending on fleet lease. It is anticipated that expenditure will increase to. 73 % as once all accruals are process on SAP system. GICT: The under expenditure emanates from savings incurred on rental expenses as well as software licences, however expenditure on software licenses is already committed. The expenditure is expected to increase during the month of June as part of year end Accruals.	

Table SC3: Aged debtors' analysis

JHB City Of Johannesburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2022/23											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	948 055	466 895	568 257	881 910			2 049 246	11 881 688	16 796 053	14 812 845	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	677 577	309 673	236 314	538 257			1 397 613	4 912 262	8 071 696	6 848 132	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	604 738	668 393	472 060	791 159			1 457 421	7 437 996	11 431 766	9 686 575	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	495 719	253 821	260 012	450 011			976 707	5 744 869	8 181 139	7 171 587	–	–
Receivables from Exchange Transactions - Waste Management	1600	176 813	102 754	125 789	236 547			514 314	3 585 896	4 742 112	4 336 756	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	(5 300)	9 411	9 270	18 417			18 065	950 165	1 000 027	986 647	–	–
Interest on Arrear Debtor Accounts	1810	(295 846)	(134 449)	(103 228)	(176 708)	–	–	(305 908)	(818 148)	(1 834 287)	(1 300 764)	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	–	–	–	–	–
Total By Income Source	2000	2 601 756	1 676 498	1 568 474	2 739 592	–	–	6 107 458	33 694 730	48 388 507	42 541 779	–	–
2021/22 - totals only		2 504 500	1 378 417	1 356 009	3 268 390	–	–	6 016 730	27 247 137	41 771 184	36 532 258	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	52 193	31 221	41 124	70 182	–	–	169 385	1 253 732	1 617 838	1 493 299	–	–
Commercial	2300	472 427	296 333	265 966	538 255	–	–	1 081 670	5 032 428	7 687 079	6 652 353	–	–
Households	2400	2 077 136	1 348 944	1 261 384	2 131 154	–	–	4 856 402	27 408 570	39 083 590	34 396 126	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	2 601 756	1 676 498	1 568 474	2 739 592	–	–	6 107 458	33 694 730	48 388 507	42 541 779	–	–

Table SC4: Aged creditors analysis

JHB City Of Johannesburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	1 997 071								**1 997 071**	2 110 904
Bulk Water	0200									**–**	
PAYE deductions	0300									**–**	
VAT (output less input)	0400									**–**	
Pensions / Retirement deductions	0500									**–**	
Loan repayments	0600									**–**	
Trade Creditors	0700	3 253 515	107 959	31 851	(438)	30 347	25 112	145 593	245 645	**3 839 585**	1 489 013
Auditor General	0800									**–**	
Other	0900	1 963 778	32 368	4 821	9 312	4 291	108	1 167	205 419	**2 221 265**	1 489 169
Total By Customer Type	**1000**	**7 214 364**	**140 327**	**36 672**	**8 874**	**34 638**	**25 220**	**146 760**	**451 065**	**8 057 920**	5 089 086

Table SC 10: Parent (Core) municipality's financial performance

JHB City Of Johannesburg - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M12 June

Description	Ref	Budget Year 2022/23							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Revenue By Source									
Property rates		14 133 073	14 133 073	1 201 864	14 534 591	14 133 073	401 518	3%	14 133 073
Service charges - electricity revenue		–	–	–	–	–	–		–
Service charges - water revenue		–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–		–
Service charges - refuse revenue		–	–	9	24	–	24	#DIV/0!	–
Rental of facilities and equipment		181 295	136 164	4 938	56 057	136 164	(80 107)	-59%	136 164
Interest earned - external investments		173 003	140 000	(511)	150 210	140 000	10 210	7%	140 000
Interest earned - outstanding debtors		1 429 430	1 362 747	168 970	1 585 075	1 362 747	222 328	16%	1 362 747
Dividends received		–	–	–	–	–	–		–
Fines, penalties and forfeits		891 509	396 910	97 549	363 333	396 910	(33 577)	-8%	396 910
Licences and permits		9 180	9 884	181	11 575	9 884	1 691	17%	9 884
Agency services		367 039	367 039	25 670	323 067	367 039	(43 972)	-12%	367 039
Transfers and subsidies		7 619 367	7 590 515	58 033	8 774 387	7 590 515	1 183 872	16%	7 590 515
Other revenue		5 990 814	5 640 532	434 376	3 305 494	5 640 532	(2 335 038)	-41%	5 640 532
Gains		5 000	5 000	–	–	5 000	(5 000)	-100%	5 000
Total Revenue (excluding capital transfers and contributions)		**30 799 710**	**29 781 864**	**1 991 080**	**29 103 814**	**29 781 864**	**(678 050)**	**-2%**	**29 781 864**
Expenditure By Type									–
Employee related costs		10 606 290	9 656 277	877 922	10 424 504	9 656 277	768 227	8%	9 656 277
Remuneration of councillors		185 164	185 164	14 074	178 816	185 164	(6 348)	-3%	185 164
Debt impairment		1 682 590	1 693 039	105 041	883 543	1 693 039	(809 496)	-48%	1 693 039
Depreciation & asset impairment		3 068 154	3 090 243	231 110	2 696 691	3 090 243	(393 552)	-13%	3 090 243
Finance charges		2 857 130	2 652 460	221 633	2 518 794	2 652 460	(133 666)	-5%	2 652 460
Bulk purchases - electricity		–	–	–	–	–	–		–
Inventory consumed		50 757	63 114	2 308	20 484	63 114	(42 630)	-68%	63 114
Contracted services		3 754 971	3 189 583	212 476	1 421 708	3 189 583	(1 767 875)	-55%	3 189 583
Transfers and subsidies		5 734 517	5 030 093	462 013	5 032 881	5 030 093	2 788	0%	5 030 093
Other expenditure		4 127 554	4 270 835	295 853	2 869 893	4 270 835	(1 400 942)	-33%	4 270 835
Losses		–	–	15 682	41 327	–	41 327	#DIV/0!	–
Total Expenditure		**32 067 127**	**29 830 807**	**2 428 112**	**26 088 639**	**29 830 807**	**(3 742 168)**	**-13%**	**29 830 807**
Surplus/(Deficit)		(1 267 417)	(48 943)	(437 033)	3 015 175	(48 943)	3 064 118	-6261%	(48 943)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 527 683	1 668 741	116 625	620 752	1 668 741	(1 047 989)	-63%	1 668 741
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		175 240	150 148	–	20 065	150 148	(130 083)	-87%	150 148
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		435 506	1 769 946	(320 408)	3 655 992	1 769 946	1 886 046	107%	1 769 946
Taxation		–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**435 506**	**1 769 946**	**(320 408)**	**3 655 992**	**1 769 946**	**1 886 046**	**107%**	**1 769 946**

Table SC11: Summary of municipal entities performance

JHB City Of Johannesburg - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M12 June

Description	Ref	Budget Year 2022/23							
R thousands		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Municipal Entity									
Pikitup		2 012 663	1 990 909	119 065	2 037 270	1 990 909	46 361	2%	1 990 909
City Power		5 294 619	5 296 322	(139 965)	2 066 415	5 296 322	(3 229 907)	-61%	5 296 322
Johannesburg Water		11 609 134	8 725 024	1 245 525	9 656 678	8 725 024	931 653	11%	8 725 024
Johannesburg Social Housing Company		287 832	255 150	21 488	258 759	255 150	3 609	1%	255 150
Johannesburg Property Company		(27 549)	(6 112)	(5 177)	4 301	(6 112)	10 413	-170%	(6 112)
Metropolitan Trading Company		(44 436)	(18 204)	(64 316)	(591 680)	(18 204)	(573 476)	3150%	(18 204)
Metrobus		(136 340)	(96 340)	(8 291)	(159 385)	(96 340)	(63 046)	65%	(96 340)
Johannesburg City Parks and Zoo		118	(1 065)	1 720	4 020	(1 065)	5 085	-477%	(1 065)
JDA		–	–	5 913	43 243	–	43 243		–
Johannesburg Roads Agency		(21 232)	(12 108)	5 176	34 416	(12 108)	46 524		(12 108)
Joburg City Theatres		(48 795)	(43 795)	(8 400)	(67 946)	(43 795)	(24 151)	55%	(43 795)
Joburg Market		562 598	602 592	52 650	609 232	602 592	6 640	1%	602 592
Joburg Tourism Company		–	(224)	417	2 926	(224)	3 150	-1406%	(224)
Total Operating Revenue	1	**19 488 613**	**16 692 149**	**1 225 804**	**13 898 249**	**16 692 149**	**(2 793 901)**	**-17%**	**16 692 149**
Expenditure By Municipal Entity									–
Pikitup		1 229 038	1 178 691	166 633	1 377 326	1 178 691	198 635	17%	1 178 691
City Power		368 288	329 663	63 873	513 842	329 663	184 179	56%	329 663
Johannesburg Water		498 617	445 027	102 462	503 687	445 027	58 659	13%	445 027
Johannesburg Social Housing Company		86 245	76 227	22 554	179 809	76 227	103 582	136%	76 227
Johannesburg Property Company		198 569	188 219	16 900	195 385	188 219	7 166	4%	188 219
Metropolitan Trading Company		25 887	22 887	3 125	30 543	22 887	7 656	33%	22 887
Metrobus		78 671	68 671	2 752	39 546	68 671	(29 125)	-42%	68 671
Johannesburg City Parks and Zoo		213 083	204 056	15 842	173 186	204 056	(30 870)	-15%	204 056
JDA		12 897	11 284	556	9 278	11 284	(2 006)	-18%	11 284
Johannesburg Roads Agency		163 435	140 720	16 980	133 956	140 720			140 720
Joburg City Theatres		74 863	74 863	10 122	72 053	74 863	(2 006)	-3%	74 863
Joburg Market		90 575	109 689	9 009	115 693	109 689	(6 764)	-6%	109 689
Joburg Tourism Company		35 670	19 490	6 964	14 587	19 490	(2 810)	-14%	19 490
Total Operating Expenditure	2	**3 075 839**	**2 869 487**	**437 773**	**3 358 890**	**2 869 487**	**489 403**	**17%**	**2 869 487**

Table SC12: Monthly Budget Statement

JHB City Of Johannesburg - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M12 June

Month R thousands	Budget Year 2022/23 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend								
July	645 077	–	30 712	30 712	645 077	614 365	95%	0%
August	645 077	–	304 609	335 321	1 290 150	954 829	74.0%	4%
September	645 077	–	496 807	832 128	1 935 230	1 103 102	57.0%	11%
October	645 077	–	387 411	1 219 539	2 580 300	1 360 761	52.7%	16%
November	645 077	–	513 430	1 732 969	3 225 380	1 492 411	46%	22%
December	645 077	–	407 546	2 140 515	3 870 460	1 729 945	44.7%	28%
January	645 077	–	214 567	2 355 082	4 515 530	2 160 448	47.8%	30%
February	645 077	–	73 863	2 428 944	5 160 610	2 731 666	52.9%	31%
March	645 077	–	372 414	2 801 358	4 781 410	1 980 052	41.4%	36%
April	645 077	–	475 825	3 277 183	5 312 680	2 035 497	38.3%	0
May	645 077	5 930 767	466 997	3 744 180	5 930 767	2 186 587	36.9%	0
June	645 077	539 161	2 070 893	5 815 073	6 469 928	654 854	10.1%	0
Total Capital expenditure	**7 740 924**	**6 469 928**	**5 815 073**					